



## H.R. 5441 – Department of Homeland Security Appropriations Bill

Calendar No. 503

*On June 16, the Appropriations Committee reported H.R. 5441, with an amendment, by a vote of 28-0; S. Report 109-273.*

### Noteworthy

- H.R. 5441 provides \$32.79 billion in new budget authority, an amount which is \$349.8 million below than the House-passed bill, but \$715.4 million above Administration's request.
- The Administration's request proposed \$1.23 billion in offsetting collections by raising aviation passenger fees by \$2.50 per passenger. The Committee did not include this fee increase.
- H.R. 5441 provides \$745 million for high-threat, high-density urban area grants, \$500 million for the State and local basic grant program.
- H.R. 5441 funds a total of 14,319 Border Patrol Agents (of which 1000 are new) and 25,300 detention beds across the Nation (of which 5,000 are new).
- H.R. 5441 provides \$134.9 million, in direct appropriations, to U.S. citizenship and Immigration for the Systematic Alien Verification for Entitlements (SAVE) program, and the Employment Eligibility Verification (EEV) program.
- This bill provides \$399.5 million for the US Visitor and Immigration Status Indicator Technology (US VISIT), which enhances the security of the U.S. by verifying the identity of visitors with visas at ports of entry.
- H.R. 5441 provides \$8.19 billion for the Coast Guard, which is \$445 million above the FY06 enacted level. Of this amount, \$7.13 billion is discretionary spending, which is \$395.9 million above the FY05 enacted level.
- H.R. 5441 provides \$6.46 billion for the Transportation Security Administration, which, including \$2 billion in offsetting fees, is \$1.23 billion above the Administration's request.
- On June 6, 2006, the House passed its version of H.R. 5441, by a vote of 389-9.

## Highlights

(in billions)	<u>President's Request</u>	<u>House-passed Bill</u>	<u>Senate-passed Bill</u>
<b>Title I (Management and Operations)</b>	\$ 1.07	\$ .96	\$ .98
<b>Title II (Security, Enforcement, and Investigations)</b>	22.67	23.69	23.94
<b>Title III (Preparedness and Recovery)</b>	6.39	6.73	6.52
<b>Title IV (Research and Development)</b>	1.96	1.78	1.67
<b>Title V (General Provisions)</b>	-.02	-.02	-.3
<b>TOTAL<sup>1</sup></b>	\$ 32.08	\$ 33.14	\$ 32.79

## Background

The Homeland Security Act of 2002 ([P.L. 107-296](#)) transferred the functions, relevant funding, and most of the personnel of 22 agencies and offices to the new Department of Homeland Security (DHS) created by the act. DHS is organized into four major areas: Management and Operations; Security, Enforcement and Investigations; Preparedness and Recovery; and Research, Development, Training and Services.

Security, Enforcement and Investigation, the largest of the four areas, contains five main components: Customs and Border Protection (CBP); Immigration and Customs Enforcement (ICE); Transportation Security Administration (TSA); US Coast Guard; and US Secret Service. Preparedness and Recovery is comprised of the Office for Domestic Preparedness; US Fire Administration; Infrastructure Protection and Information Security (IPIS); and the Federal Emergency Management Administration (FEMA). Research, Development, Training and Services is comprised of US Citizenship and Immigration Services; Federal Law Enforcement Training Center; Science and Technology; and the Domestic Nuclear Detection Office.

---

<sup>1</sup> Figure totals were taken from S. Rept. 109-230. Any difference in the totals is due to rounding.

## **Bill Provisions**

### **Title I – Departmental Management and Operations**

Title I provides \$975.2 million for Departmental Management and Operations, which is \$98.4 million below the Administration's request, but \$76.9 million above the FY06 enacted level. Significant spending accounts and language requests include:

**Office of the Secretary:** Provides \$90.1 million for the Office of the Secretary and Executive Management, which is \$7.4 million below the Administration's request and \$7.5 million below the FY06 enacted level. The Committee indicated concerns with the Department's lack of a clear policy regarding securing, closing, and filling tunnels along the border.

**Analysis and Operations:** Provides \$298.7 million for Analysis and Operations, as proposed in the budget, and \$45.7 million above the FY 06 enacted level. This includes funding for the Department's intelligence activities and the homeland Security Operations Center.

### **Title II – Security, Enforcement, and Investigations: Border and Transportation Security**

Title II provides \$23.94 billion for the Department's Security, Enforcement, and Investigations, after a \$97.0 million rescission, which is \$1.26 billion above the Administration's request and \$293.1 million above the FY06 enacted level. Significant spending accounts include:

**US VISIT Technology:** Provides \$399.5 million for the United States Visitor and Immigration Status Indicator Technology, which is equal to the Administration's request, but \$62.9 million above the FY06 enacted level. Included in this amount is \$60.1 million to continue the development of interoperability between biometric data systems.

**U.S. Customs and Border Protection (CBP):** Provides \$7.89 billion for Customs and Border Protection, including \$1.27 billion in fees, which is \$65.3 million above the Administration's request, but \$746.2 million above the FY06 enacted level (excluding emergency supplemental appropriations). Included within these funds is: \$286.6 million for 1,000 additional border patrol agents; \$75.9 million for the **Customs-Trade Partnership Against Terrorism (C-TPAT) and Free and Secure Trade (FAST)**; \$139.3 million for an expansion of the **Container Security Initiative (CSI)**; \$6.8 million to expand the **National Targeting Center**; \$12.0 million for **Weapons of Mass Destruction Staffing**; \$57.8 million for tactical infrastructure along the Arizona border; \$286.6 million for **increased Border Patrol Agents**; \$18.7 million for the **Northern Border Airwing**, \$30.5 million for San **Diego Border Infrastructure System**.

**Immigration and Customs Enforcement (ICE):** Provides \$4.13 billion for Immigration and Customs Enforcement, including \$252.3 million in fees, which is \$66.9 million below the Administration's request, but \$718.2 million above the FY06 enacted level (excluding emergency supplemental appropriations). Included within these funds is: \$1.8 billion for detention, including funding for an additional 1,000 **detentions beds**;<sup>2</sup> \$36.8 million for increased resources for compliance, \$57.9 million to enhance resources devoted to **worksite enforcement**.

**Federal Protective Service (FPS):** Provides \$516.0 million for the Federal Protective Service, which fully funds the Administration's request and is nearly \$29.0 million above the FY06 enacted level.<sup>3</sup> The FPS is responsible for the security and protection of Federal property under the control of the General Services Administration.

**Transportation Security Administration (TSA):** Provides \$6.46 billion for the Transportation Security Administration (including \$2.42 billion in passenger and aviation carrier fees, \$250 million from Aviation Security Capital), which is \$163.3 million above the Administration's request, and \$176.8 million above the FY06 enacted level. Included in this funding is: \$3.79 billion for **screening operations**, and \$699 million for **Federal Air Marshalls**.

- **Air Cargo Security:** Provides \$55.0 million for air cargo security, which is equal to the Administration's request and \$550,000 more than the FY06 enacted level. Included in this recommendation is funding for the National Explosives Detection Canine Team Program. The bill includes language directing the Secretary to develop new technologies to inspect and screen air cargo.
- **Rail Security:** Provides \$13.2 million for security measures of the nation's railways, which is equal to the Administration's request and \$5.3 million more than the FY06 enacted level. The increase in funding is to support 100 rail inspectors and 30 canine teams.

**U.S. Coast Guard:** Provides \$8.19 billion for the United States Coast Guard, which is \$9.0 million below the Administration's request and \$445.1 million above the FY06 enacted level. Of this funding, \$7.13 billion is discretionary spending and \$1.06 billion is mandatory spending for **retired pay**. Within the discretionary funds, \$5.53 billion is for **operating expenses** (such as pay, and vessel and aircraft maintenance) to perform search and rescue, Marine Environmental Protection and defense-related activities including drug interdiction. The **Integrated Deepwater System** is provided \$993.6 million.

- This bill includes \$278.7 million for contributions to the Medicare-Eligible Retiree Health Care Fund.

---

<sup>2</sup> When combined with the funds provided in the Emergency Supplemental Appropriations for Defense, the Global War on Terror, and Tsunami Relief Act, 2005 (P.L. 109-13), these funds will support 22,727 detention beds in FY06.

<sup>3</sup> The total provides for full funding by offsetting collections paid by General Services Administration tenants and credited directly to this appropriation.

**U.S. Secret Service:** Provides \$1.23 billion for the United States Secret Service, which is \$39.1 million below the Administration's request, but \$2.5 million above the FY06 enacted level. This account provides for the protection of the President, the Vice President, and other dignitaries and designated individuals; enforcement of laws relating to obligations and securities of the United States and financial crimes; and protection of the White House.

### **Title III – Preparedness and Recovery**

Title III provides \$6.52 billion for the Department's Preparedness and Recovery, which is \$133.7 million above the Administration's request and \$6.48 billion below the FY06 enacted level. Significant spending accounts and language requests include:

**Office of Domestic Preparedness:** Provides \$3.25 billion for Office of Domestic Preparedness, which is \$503.5 million above the Administration's request but \$59.3 million below the FY06 enacted level (excluding emergency supplemental appropriations). Included within these funds is \$2.39 billion for **state and local programs** through grants for the purposes consistent with each State's homeland security strategy, including training and exercises; equipment, including interoperable communications equipment; and technical assistance.

- **Discretionary Grants:** The bill provides \$745 million for Urban Area Security Initiative grants to be used for minor perimeter security facilities, fencing, and related efforts. The Committee voiced concern over the administration of these funds.
- **Report Language:** Requests the Department to submit a report to the Committee by February 8, 2007, "detailing what State and local governments have purchased with fiscal year 2006 homeland security state and local assistance grants; whether these expenditures have complied with State homeland security plans; and how homeland security has been enhanced by such expenditures."

**Firefighter Assistance Grants:** Provides \$655 million for firefighter assistance grants, which is \$361.6 million above the Administration's request and \$6.6 million above the FY06 enacted level (excluding emergency supplemental appropriations). Included within these funds is \$115 million for the SAFER Act, which is \$6.1 million more than the FY06 enacted level—the Administration did not request funds for this account. These grants provide assistance to local fire fighting departments for the purpose of protecting the health and safety of the public, firefighting personnel (including volunteers and emergency medical service personnel), against fires and fire-related hazards.

**FEMA:** Provides \$2.7 billion for FEMA, which is \$300.9 million below the Administration's request, and \$57.8 million above the FY06 enacted level. Included in this request is \$240.0 million to support activities related to readiness, mitigation, response, and recovery, including \$30 million for the 28 existing Urban Search and Rescue Teams. The mission of FEMA is to lead the Nation to prepare for, mitigate the

effects of, respond to, and recover from major domestic disasters, both natural and man-made, including incidents of terrorism.

- **Disaster Relief Fund**: Provides \$1.64 billion for the Disaster Relief Fund, which is \$301.4 million below the Administration's request and \$112.3 million below the FY06 enacted level (excluding emergency supplemental appropriations). Through the DRF, the Department provides a significant portion of the total Federal response to victims in Presidentially-declared major disasters and emergencies.
- **Report Language**: The Committee is concerned with FEMA's lack of internal controls for combating waste, fraud, and abuse. GAO testified it found FEMA made improper or potentially fraudulent payments for disaster assistance for Hurricanes Katrina and Rita, which cost taxpayers from \$600 million up to \$1.4 billion. The Committee expects the Director of FEMA to brief the Committee on a corrective action plan for the Disaster Relief Fund.
- **Report Language**: The Committee is concerned with FEMA's plan to pre-position essential items, such as Meals-Ready-to-Eat (MRE) and satellite communications, in strategic locations across the nation.

## **Title IV – Research and Development, Training, Assessments, and Services**

Title IV provides \$1.67 billion for the Department's Research and Development, Training, Assessments, and Services, which is \$297.8 million below the Administration's request and \$238.6 million below the FY06 enacted level. Significant spending accounts include:

**United States Citizenship and Immigration Services (CIS)**: Provides \$1.93 billion for CIS, including \$1.80 billion in user fees, which is \$47.0 million below the Administration's request, but is \$51.1 million above the FY06 enacted level. It is anticipated that CIS will collect various fees totaling \$1.80 billion. CIS is responsible for the administration of laws and providing services to people seeking to visit, reside, work, and naturalize in the United States. Included in the amount is an increase of \$110.5 million to expand the **Employment Eligibility Verification**.

- **Report Language**: The Committee directs CIS to continue to report quarterly on the status of application processing and the backlog reduction plan. The DHS Ombudsman recommended changes to CIS processing to cut costs and improve efficiency.

**Federal Law Enforcement Training Center (FLETC)**: Provides \$270.9 million for the FLETC, which is \$26.3 million above the President's request, but \$8.6 million below the FY06 enacted level. The FLETC provides funds for basic and advanced training to Federal law enforcement personnel from more than 76 agencies.

**Science and Technology**: Provides \$818.5 million for Science and Technology, which is \$183.8 million below the Administration's request and \$354 million below the FY06

enacted level. Included in this amount is \$327 million for biological countermeasures, \$75 million for chemical countermeasures and \$40 million for Counter-MANPADS. The Committee includes \$93 million for high explosives countermeasures in Transportation Security Administration.

**Domestic Nuclear Detection Office (DMDC):** Provides \$442.5 million for the DMDC, which is \$93.3 million above the Administration's request and \$128 million above the FY06 enacted level. The mission of DMDC is to improve the Nation's capability to detect and report attempts to import, possess, store, develop, or transport nuclear and radiological material for use against the nation.

## **Title V – General Provisions**

Title V is composed of General Provisions concerning reprogramming, authorization for intelligence activities funded in the bill, Federal Law Enforcement Training Center, the Buy America Act, competitive sourcing, and other issues. Of note, Section 514 prohibits the use of funds to develop or test algorithms assigning risk to passengers whose names are not on Government watch lists. Also of note, Section 538 includes a provision dealing with the implementation of the Western Hemisphere Travel Initiative.

---

## **Administration Position**

---

A Statement of Administration Policy (SAP) on the bill, as reported by the Senate Appropriations Committee, was not available at press time.

On May 25, the Administration released a SAP on the House-reported bill, H.R. 5441. The Administration supported House passage of H.R. 5441, and looks forward to working with Congress to ensure that the FY06 appropriations bills do not exceed the **\$872.8 billion discretionary funding level. (The President's Budget includes over 141 program savings and reforms.)** In the SAP, the Administration offered its views on several provisions in H.R. 5441 (including aviation security passenger fees, state and local programs, FEMA, and prescription drug re-importation), but did not state it would veto the bill over these concerns.

---

## **Cost**

---

H.R. 5441 would result in the following outlays:

FY 2007	\$20.323 billion
FY 2008	\$6.842 billion
FY 2009	\$3.410 billion
FY 2010	\$1.345 billion
FY 2011 (and future years)	\$0.564 billion

---

## **President's Program Terminations**

---

(in millions of dollars)

<b>Program</b>	<b>Classification</b>	<b>2006 Enacted</b>	<b>2007 Request</b>	<b>House Allowance</b>	<b>Committee Recommendation</b>
Office of Domestic Preparedness*	Reduction	\$1,789.0	\$1,095.0	\$1,495.0	\$1,451.5
Office of Domestic Preparedness**	<b>Termination</b>	\$229.0	\$0.0	\$215.0	\$190.0

\* Reductions are proposed to six grant and training programs: State Homeland Security Grants, Emergency Management Performance Grants, State and Local Training program, Technical Assistance Program, Assistance to Firefighter Grants, and National Exercise Program

\*\* Terminations are proposed for four sub-programs: Metropolitan Medical Response System (MMRS), Commercial Equipment Direct Assistance Program (CEDAP), REAL ID, and the SAFER firefighter hiring program.

---

## **Possible Amendments**

---

There will likely be numerous amendments on the floor including amendments dealing with funding for port security, rail security, and first responders and grants for local governments to protect against threats.